

CONSULTING AGREEMENT

DATE: May 16, 2002

PARTIES:

- A. **KATRON GROUP, INC.**, a corporation established and existing under the laws of Delaware, USA, having its principal place of business at 848 Deer Mountain Estates, Harpers Ferry, West Virginia 25425 (the "Consultant").
- B. **SPORTS SHINKO (USA) CO., LTD.**, a corporation established and existing under the laws of Delaware, USA, having its principal place of business at c/o Sports Shinko Co., Ltd., 4-12 Banzaicho, Kitaku Osaka City, Osaka Japan 530-0028 ("SSUSA").

RECITALS:

- 1. WHEREAS, SSUSA owns the following subsidiaries: LC Hotel and Spa Corporation; Sports Shinko (Florida) Co., Ltd.; La Costa (TDMK) Co., Ltd; and, Encinitas Resort Corporation (the Hawaii subsidiaries are specifically deleted) in which each require winding up of its affairs. The listed subsidiaries are herein referred to as the "SSUSA Subsidiaries."
- 2. WHEREAS, SSUSA hereby engages the Consultant and Consultant hereby accepts such engagement as a consultant and advisor to SSUSA in connection with the winding up of SSUSA and SSUSA Subsidiaries.

SERVICES:

LC Hotel and Spa Corporation – Advise SSUSA on finalizing all items and issues remaining from the sale of the La Costa Resort and Spa. This includes the following

- a. Receive, review, and submit for payment, bills for all remaining liabilities for LC Hotel and Spa Corporation. All final approval and signing of checks will be done by SSUSA.
- b. Tracking the uses of and monitoring of the remaining cash.
- c. Review and advise of suggested course of action to SSUSA for any issues that arise. The suggested course of action is obtained through review of relevant documentation and discussion with appropriate legal counsel.
- d. Continuing to deal with appropriate parties for return of escrows, pre-pays, deposits, etc.
- e. Monitor run-out of old La Costa Resort and Spa bank accounts.

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EXHIBIT K-1

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- f. Maintain a General Ledger for the sale and payment of bills.
- g. Provide information to the tax advisors and auditors for the year 2001 and sale, as they may reasonably request.
- h. Advise on dissolving the corporation.
- i. Advise on the final pro-rations analysis with the new owner.
- j. Advise on obtaining release of the escrows when required.

Sports Shinko (Florida) Co., Ltd and its subsidiaries:

- a. Advise on any legal issues or questions.
- b. Provide information to the tax advisors and auditors for the year 2001 and year to date 2002, as reasonably requested.
- c. Advise on dissolving the corporations.

SSUSA and SSUSA Subsidiaries:

- a. Keep a ledger, which to the extent of our awareness tracks the intercompany loans and any activity.
- b. Review and advise on recommendations for any issues that arise.
- c. Provide information to the tax advisors and auditors for the year 2001 and year to date 2002, as reasonably requested.
- d. Advise on dissolving the corporations.

FEES

In consideration of the consulting services to be rendered to SSUSA by Consultant, SSUSA agrees to pay the Consultant a "Consulting Fee" in the amount of One Hundred Seventy Five Dollars (\$175.00) per hour for each hour that Consultant provides the services to SSUSA.

The Consultant shall be reimbursed for all out of pocket expenses, including travel, room, and board, incurred on SSUSA related business, if required.

The Consultant will provide a request for the Fee incurred and any out-of-pocket reimbursements each calendar month for the prior calendar month period and are due to the Consultant within 10 days of receipt.

III. TERM AND CANCELLATION

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This Agreement shall be for an initial Term of one (1) year beginning May 16, 2002, and ending May 15, 2003. This Agreement may be terminated by either party, with or without cause, upon thirty (30) days written notice.

In the event of a bankruptcy by the Consultant or by any SSUSA Subsidiary (excluding Sports Shinko (Florida), Co., Ltd.), either party may cancel this Agreement with three (3) days notice.

IV. MISCELLANEOUS

Independent Contractor - SSUSA and the Consultant shall be independent contractors and shall not be deemed to be partners or joint ventures and neither party has the right to act on behalf of the other except as is expressly set forth in this Agreement.

Notices - All notices required or desired to be given hereunder shall be in writing and shall be delivered by certified mail, first class postage or return receipt requested, and addressed to the parties at their respective addresses set forth below, unless by such notices a different address shall have been designated and such notices shall be effective upon receipt.

TO SSUSA:

Mr. Takeshi Kinoshita
Executive Vice President
C/o Sports Shinko Co., Ltd.
4-12 Banzaicho, Kitaku
Osaka City, Osaka Japan 530-0028

TO CONSULTANT:

Lucinda S. Brown, Vice President
KATRON Group, Inc.
848 Deer Mountain Estates
Harpers Ferry, West Virginia 25425

Modification - No termination, cancellation, modification, amendment, deletion, addition or other change in this Agreement, or any provision hereof, or waiver of any rights or remedy herein provided, shall be effective for any purpose unless specifically set forth in a writing signed by the party to be bound thereby. No waiver of any right or remedy in respect of such occurrence or event on any other occasion.

Entire Agreement - This Agreement supersedes all other agreements, oral or written, heretofore made with respect to the subject hereof and the transactions contemplated hereby, and contains the entire agreement of the parties with respect to the subject matter hereof.

Assignments - Either party shall not assign this Agreement or delegate all rights, duties and obligations hereunder, either in whole or in part, to any affiliate or successor without the prior written consent of the other party.

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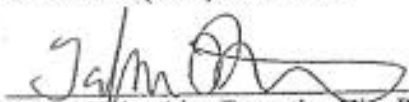
Controlling Law - This Agreement shall be governed by and construed in accordance with the internal laws of the State of West Virginia, venue in Charles Town, without giving effect to the principles of conflicts of law.

Indemnifications - SSUSA hereby indemnifies and holds the Consultant, its officers, directors, employees, agents and shareholders, harmless from and against any and all liability, loss, damage, claim, controversy, cause of action, judgment or expense, including reasonable attorneys fees and disbursements, of every kind and nature, arising, directly or indirectly, out of or attributable to this Agreement, the provision of the Consultant's Services hereunder or which arise, directly or indirectly, with respect to any action or inaction by SSUSA or the SSUSA Subsidiaries, including, without limitation any and all liability, loss, damage, claim, controversy, cause of action, judgment or expense, of every kind and nature, arising, directly or indirectly, out of or attributable to the ownership, operation or management of any real or personal property of SSUSA or the SSUSA Subsidiaries; Except such claims as result from the willful misconduct or gross negligence of the Consultant.

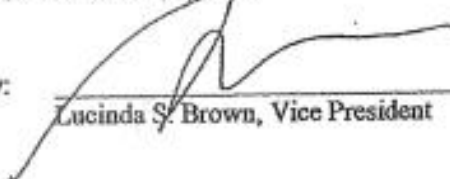
Disclaimer - Absent further agreement between the parties, none of the services to be furnished by the Consultant will involve threatened or filed litigation support or similar services relating to bankruptcy or insolvency proceedings.

To confirm our understanding regarding the foregoing, please execute this Agreement where indicated below.

SPORTS SHINKO (USA) CO., LTD.

By: 
Takeshi Kinoshita, Executive Vice President

KATRON GROUP, INC.

By: 
Lucinda S. Brown, Vice President

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**AMENDMENT TO
CONSULTING AGREEMENT**

THIS AMENDMENT ("Amendment") to the CONSULTING AGREEMENT ("Agreement"), dated May 16, 2002 by and between KATRON GROUP, INC., (the "Consultant") and SPORTS SHINKO (USA) CO., LTD. ("SSUSA"), is hereby entered into May 16, 2003.

RECITALS:

WHEREAS, Consultant and SSUSA hereby desire to amend certain terms of the Agreement.

A. TERM AND CANCELLATION

Section III TERM AND CANCELLATION – The last sentence of the first paragraph is hereby deleted in its entirety and replaced with the following:

This Agreement may be terminated by either party, with or without cause, upon ninety (90) days written notice.

Section III TERM AND CANCELLATION – A paragraph is hereby added to read as follows:

The Agreement shall be extended for an Additional Term of one (1) year beginning May 16, 2003, and ending May 15, 2004.

B. MISCELLANEOUS – The Notice Address for SSUSA is hereby amended to read as follows:

TO SSUSA:

Mr. Keiji Kimura
C/o Kyoci Law Office
Kitahama 3-5-22, Orix-Yodoyabashi Building
Suite 800
Chuo-ku, Osaka, Japan 541-0041

All other terms of the Agreement will remain the same.

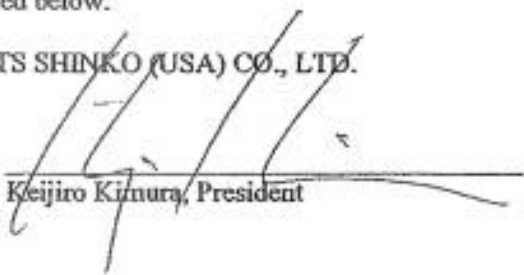
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To confirm our understanding regarding the foregoing, please execute this Agreement where indicated below.

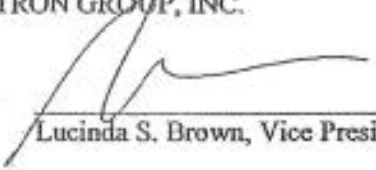
SPORTS SHINKO (USA) CO., LTD.

By:


Keijiro Kimura, President

KATRON GROUP, INC.

By:


Lucinda S. Brown, Vice President

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**SECOND AMENDMENT TO
CONSULTING AGREEMENT**

THIS SECOND AMENDMENT ("Amendment") to the AMENDMENT TO THE CONSULTING AGREEMENT, dated May 16, 2003 and the CONSULTING AGREEMENT dated May 16, 2002 (collectively the "Agreement") by and between KATRON GROUP, INC., (the "Consultant") and SPORTS SHINKO (USA) CO., LTD. ("SSUSA"), is hereby entered into May 16, 2004.

RECITALS:

WHEREAS, Consultant and SSUSA hereby desire to amend certain terms of the Agreement.

A. TERM AND CANCELLATION

Section III TERM AND CANCELLATION – The last sentence of the first paragraph is hereby deleted in its entirety and replaced with the following:

This Agreement may be terminated by either party, with or without cause, upon thirty (30) days written notice.

Section III TERM AND CANCELLATION – A paragraph is hereby added to read as follows:

Commencing May 16, 2004, the Agreement shall be extended for a continuous term until terminated in accordance with the terms of the Agreement.

B. MISCELLANEOUS – The Notice Address for SSUSA is hereby amended to read as follows:

TO SSUSA:

Mr. Yoshitiko Machida
c/o Sports Shinko Co., Ltd.
Banzai-cho 4-12 Naniwa Bldg., Kita-ku
Osaka, Japan 530-0028

All other terms of the Agreement will remain the same.

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To confirm our understanding regarding the foregoing, please execute this Agreement where indicated below.

SPORTS SHINKO (USA) CO., LTD.

By:


Yoshitaka Machida, President

KATRON GROUP, INC.

By:


Lucinda S. Brown, Vice President

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